

103D CONGRESS  
1ST SESSION

# S. 431

## AN ACT

To amend the Motor Vehicle Information and Cost Savings Act to provide for vehicle damage disclosure and consumer protection.

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To amend the Motor Vehicle Information and Cost Savings Act to provide for vehicle damage disclosure and consumer protection.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Vehicle Damage Dis-  
5       closure and Consumer Protection Act of 1993”.

1 **SEC. 2. PURPOSE.**

2 Section 401 of the Motor Vehicle Information and  
3 Cost Savings Act (15 U.S.C. 1981) is amended by insert-  
4 ing after the second sentence the following new sentences:  
5 “It is also the purpose of this title to protect purchasers  
6 with respect to motor vehicles for which States have pre-  
7 viously issued a title brand indicating prior damage. It is  
8 further the purpose of this title to protect purchasers with  
9 respect to motor vehicles which have been repurchased, re-  
10 placed, or reacquired under a State lemon law.”.

11 **SEC. 3. DEFINITIONS.**

12 Section 402 of the Motor Vehicle Information and  
13 Cost Savings Act (15 U.S.C. 1982) is amended by adding  
14 at the end the following new paragraphs:

15 “(9) The term ‘manufacturer buyback vehicle’  
16 means a motor vehicle that has been repurchased,  
17 replaced, or reacquired pursuant to a State lemon  
18 law.

19 “(10) The term ‘State lemon law’ means a  
20 State law requiring that a motor vehicle manufac-  
21 turer, distributor, or dealer repurchase, replace, or  
22 reacquire a new motor vehicle due to a nonconform-  
23 ity in materials or workmanship that renders the ve-  
24 hicle unfit for ordinary use or reasonably intended  
25 purposes.”.

1 **SEC. 4. DISCLOSURE REQUIREMENTS UPON TRANSFER OF**  
2 **OWNERSHIP OF A MOTOR VEHICLE.**

3 Section 408 of the Motor Vehicle Information and  
4 Cost Savings Act (15 U.S.C. 1988) is amended by adding  
5 at the end the following new subsection:

6 “(h)(1) Any motor vehicle the ownership of which is  
7 transferred may not be licensed for use in any State unless  
8 the State discloses on the title whether records readily ac-  
9 cessible to it indicate—

10 “(A) whether the vehicle was previously issued  
11 a title that bore any word or symbol signifying that  
12 the vehicle was ‘salvage’, ‘junk’, ‘reconstructed’, or  
13 ‘rebuilt’, that it has been damaged by flood, or that  
14 it was a manufacturer buyback vehicle, and

15 “(B) if it was issued such a title, which State  
16 first issued such a title.

17 “(2) The Secretary shall—

18 “(A) not later than 90 days after the date of  
19 enactment of the Vehicle Damage Disclosure and  
20 Consumer Protection Act of 1993, prescribe by rule  
21 the manner in which, and the date by which, a State  
22 shall disclose the information described in paragraph  
23 (1)(A) and the manner in which such information  
24 shall be retained.

25 “(B) not later than 12 months after such date  
26 of enactment, in consultation with the task force es-

1        tablished under section 140(a) of the Anti Car Theft  
2        Act of 1992 (15 U.S.C. 2041 note), prescribe by  
3        rule uniform minimum standards and procedures re-  
4        lating to the disclosure by a State on a vehicle cer-  
5        tificate of title that a vehicle has sustained severe  
6        damage,

7            “(C) study and develop recommendations (in  
8        consultation, to the extent practicable, with the task  
9        force described in subparagraph (B)) concerning  
10       whether, in order to maximize consumer protection,  
11       a disclosure of the dollar value of damage to a motor  
12       vehicle should be included on all of its certificates of  
13       title, at times of title transfer, in any case in which  
14       the motor vehicle has neither been declared a total  
15       loss by an insurer or vehicle owner nor had its title  
16       branded with any word or symbol signifying that the  
17       vehicle was ‘salvage’, ‘junk’, ‘reconstructed’, or ‘re-  
18       built’ or that it was damaged by flood, and

19            “(D) not later than 12 months after the date  
20       of enactment of the Vehicle Damage Disclosure and  
21       Consumer Protection Act of 1993, prescribe by rule  
22       the minimum requirements of form and content for  
23       State certificates of title.”.

1 **SEC. 5. DISCLOSURE OF MANUFACTURER BUYBACK VEHI-**  
2 **CLES.**

3 (a) STUDY.—The Secretary of Transportation shall  
4 conduct a study of the various means that may be required  
5 by Federal law for disclosing to prospective purchasers  
6 that a motor vehicle is a manufacturer buyback vehicle.  
7 The study shall include a consideration of the advantages  
8 and disadvantages of each alternative, taking into account  
9 the cost to the vehicle manufacturer, distributor, or dealer  
10 of complying with such requirement and the effectiveness  
11 of the requirement in informing purchasers.

12 (b) MEANS FOR DISCLOSURE.—Among the means for  
13 disclosure that shall be the subject of the study required  
14 by this section are the following:

15 (1) A national uniform sticker, affixed to the  
16 windshield of a motor vehicle prior to a purchaser's  
17 agreement to purchase the vehicle, that States that  
18 the vehicle is a manufacturer buyback vehicle.

19 (2) A national uniform consumer disclosure  
20 statement, provided to any prospective purchaser be-  
21 fore the purchase agreement occurs, that—

22 (A) includes the motor vehicle make, model,  
23 year, vehicle identification number, and any prior  
24 title numbers and prior States of title; and

25 (B) discloses that the motor vehicle is (accord-  
26 ing to records available to the State issuing the cer-

1        tificate of title, including records from any State in  
2        which a certificate of title has previously been issued  
3        for such motor vehicle) a manufacturer buyback ve-  
4        hicle.

5        (c) REPORT TO CONGRESS.—The Secretary of Trans-  
6        portation shall, not later than 6 months after the date of  
7        enactment of this Act, report to the Committee on Com-  
8        merce, Science, and Transportation of the Senate and the  
9        Committee on Energy and Commerce of the House of  
10       Representatives on the results of the study required by  
11       this section.

12       (d) DEFINITIONS.—The terms “manufacturer  
13       buyback vehicle”, “dealer”, and “distributor” have the  
14       meanings those terms have under section 402 of the Motor  
15       Vehicle Information and Cost Savings Act (15 U.S.C.  
16       1988), as amended by this Act.

Passed the Senate November 20 (legislative day, No-  
vember 2), 1993.

Attest:

*Secretary.*